

October 26, 2015

Redacted for Public Inspection

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Hughes Network Systems, Inc.
Ex parte related to WC Docket No. 10-90
Public Interest Obligations for CAF Phase II Competitive Bidding
Request for Confidential Treatment

Dear Mr. DelNero:

Hughes Network Systems, Inc. ("Hughes") hereby requests confidential treatment of information in the attached ex parte filing discussing the comparative customer satisfaction scores of Hughes's consumer broadband service and other consumer broadband services, including fixed terrestrial broadband services. This information is competitively sensitive and subject to a licensing agreement between Hughes and Satmetrix, which collected the data. Hughes's agreement with Satmetrix requires that the attached information only may be submitted confidentially.

The information in the attached submission regarding the Satmetrix consumer satisfaction scores of Hughes and other broadband providers constitutes trade secrets and competitively sensitive information and thus should be withheld from public inspection. In support of this request, Hughes provides the following information, as required by Sections 0.457(d)(2) and 0.459(b) of the Commission's Rules.

1. Information for Which Confidentiality Is Requested. Hughes is requesting that the information in the attached slides regarding Hughes's and other broadband providers' relative customer satisfaction scores be withheld from public inspection under 5 U.S.C. § 552(b)(4), and 47 C.F.R. § 0.457(d)(2).

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2. Proceeding/Reason for Submission. Hughes is submitting the enclosed information in connection with the Commission's rulemaking proceeding to develop criteria and rules for participation in the Connect America Fund Phase II competitive bidding process.

3. Nature of Confidential Information. The information (described in (1) above) contains commercially sensitive and trade secret information that may be withheld from public disclosure under FOIA Exemption 4. The information is also subject to a licensing agreement that requires that Hughes may only submit the information to the Commission confidentially.

4. Competitiveness of Market. The commercial information in question derives from and relates to Hughes's and the other providers' provision of consumer broadband service, and thus "concerns a service subject to competition." 47 C.F.R. § 0.459(b)(4). As such, the information is sensitive internal business and commercial information entitled to protection under 5 U.S.C. § 552(b)(4) and 47 C.F.R. § 0.457(d)(2).

5. Harm from Disclosure. The information regarding Hughes's and other broadband providers' relative customer satisfaction scores reveals competitively sensitive information about each provider's performance and consumer satisfaction. The broadband Internet access market is competitive and competitors could take competitive advantage of the information contained in these materials. The D.C. Circuit has found parties do not have to "show actual competitive harm" to justify confidential treatment. *Public Citizen Health Research Group*, 704 F.2d at 1291, quoting *Gulf & Western Industries v. U.S.*, 615 F.2d 527, 530 (D.C. Cir. 1979).

6. Measures Taken To Prevent Unauthorized Disclosure. Hughes treats the designated information as confidential and proprietary information and does not publicly disclose this information. This information is also subject to a licensing agreement with Sametrix requiring that it be submitted confidentially.

7. Previous Disclosure. Hughes has not publicly disclosed the information for which it is seeking protection.

8. Requested Duration of Nondisclosure. The enclosed information should not be released for public inspection until it is no longer likely to cause competitive harm. For example, once sufficient time has gone by that the entities' relative competitive position is likely to have shifted, this information no longer may be competitively sensitive.

WILKINSON) BARKER) KNAUER) LLP

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Please direct any questions regarding this filing to the undersigned.

Respectfully submitted



L. Charles Keller

Attorney for Hughes Network Systems, Inc.

Enclosure

cc (w/enc.) (by hand): Stephanie Weiner
Rebekah Goodheart
Travis Litman
Nicholas Degani
Amy Bender
Carol Matthey
Rodger Woock
Alexander Minard
Suzanne Yelen
Alec MacDonnell
Cathy Zima
Christopher Cook



October 26, 2015

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

REDACTED FOR PUBLIC INSPECTION

Subject: *Written ex parte submission – WC Docket No. 10-90
CAF Phase II competitive bidding requirements*

Hughes Network Systems (“Hughes”) makes this filing to provide the Commission with additional information to inform its consideration of criteria and policies for participation in the Connect America Fund (“CAF”) Phase II competitive bidding process in the above-referenced docket. As Hughes has pointed out previously, consumers choose their broadband providers based on a wide variety of factors. Satellite broadband providers are successful competitors in the market, securing loyal customers both in areas where other broadband options are available and where they are not. This filing provides data showing that satellite broadband customers are no less satisfied with their broadband service than the customers of terrestrial fixed broadband providers. As a result, the Commission should ensure that satellite broadband providers have an equitable opportunity to compete to serve customers in the CAF Phase II competitive bidding process.

With this letter, Hughes submits the results of a survey that compares consumer satisfaction with Hughes’s satellite broadband service with other, terrestrial broadband providers. The survey results show that, in a ranking of broadband providers, Hughes’s broadband customers are roughly in the middle of the pack with regard to their satisfaction. About as many major terrestrial broadband providers have more dissatisfied customers than Hughes as have fewer dissatisfied customers.

As the attached slides explain, the comparative data come from the results of surveys conducted by Satmetrix, an independent data analytics company, which has developed its “Net Promoter” analysis to help companies identify and improve their customer experience. The survey organizes customers into three categories: (1) Promoters, who are “loyal enthusiasts who will keep buying and refer others, fueling growth”; (2) Passives, who are “satisfied but unenthusiastic”; and (3) Detractors, who are unhappy customers who can “damage your brand and impede growth through negative word of mouth.”

Satmetrix uses its survey data to compute a “Net Promoter Score” for each company in a given industry, such as retail broadband. All but one of the broadband providers in Satmetrix’s survey of broadband providers are terrestrial fixed operators such as Verizon, Comcast, and CenturyLink.¹ The attached chart shows twelve broadband providers – eleven from Satmetrix’s survey plus Hughes – ranked in order of Net Promoter Scores, from high to low. Hughes is able to compute its score by including the Net Promoter question in its daily customer surveys. ***REDACTED***

REDACTED This emphasizes the importance of ensuring that satellite broadband providers have an equitable opportunity to participate in the CAF Phase II competitive bidding process. Specifically, the bidding rules should not favor any providers based solely on the specific technology used to provide broadband service. Any categorization of bidders should be based on objective performance criteria, which should reflect the realities of the market and not arbitrary and aspirational service targets. Also, to ensure that CAF funds are available to all types of providers, no subset of bidders should be entitled to bid above a “reserve price” set at the model-determined support amount for a given area.

¹ Satmetrix’s data includes one satellite broadband provider, DISH Network, which is actually a reseller of the satellite broadband service of both Hughes and its principal and competitor ViaSat.

Sincerely,

/s/
Jennifer A. Manner
Vice President, Regulatory Affairs

Attachment

cc: Stephanie Weiner
Rebekah Goodheart
Travis Litman
Nicholas Degani
Amy Bender
Carol Matthey
Rodger Woock
Alexander Minard
Suzanne Yelen
Alec MacDonnell
Cathy Zima
Christopher Cook
Jennifer Gilsenan

2015 Net Promoter Score (NPS) Summary

HughesNet Gen 4 comparison to Consumer Internet Service Benchmarks

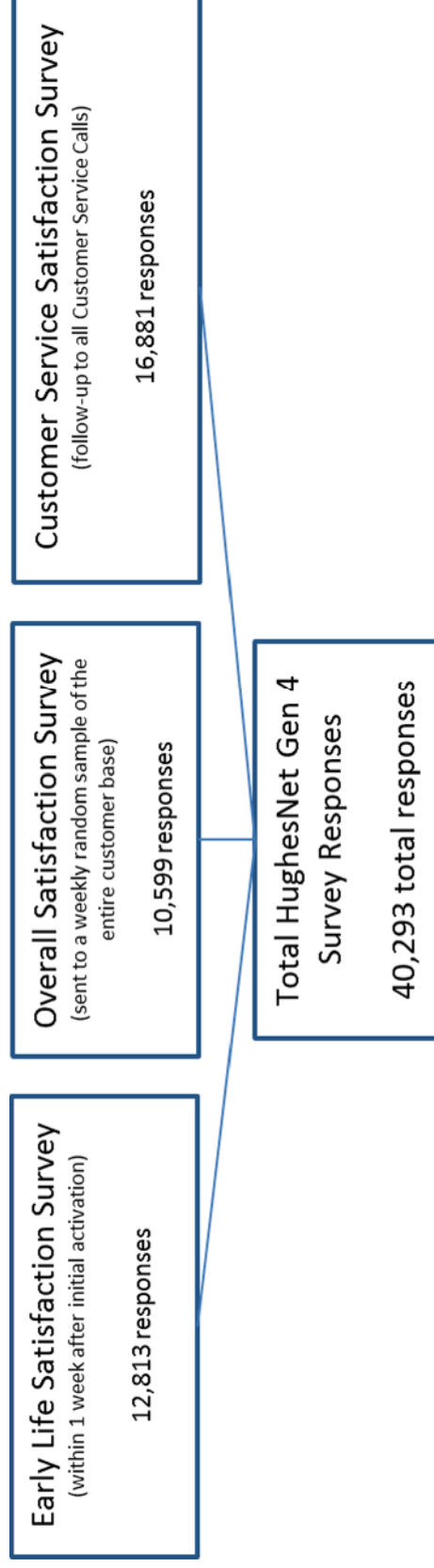
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2015 HughesNet Gen 4 Net Promoter Score

- The 2015 Satmetrix Internet Service Consumer Benchmark report only captures the largest companies operating in the market.
- HughesNet is able to compare the Net Promoter Score for our Gen 4 service plans (5 Mbps to 15 Mbps) by including the NPS question in our daily customer feedback surveys.
- The HughesNet surveys include the question: How likely are you to recommend HughesNet to a friend or colleague?
- The responses to this question are then categorized into Promoters, Passives, and Detractors using the Satmetrix scale and the HughesNet Gen 4 NPS score can be calculated as a result of these responses.

HughesNet Survey Categories and Response Counts



2015 Benchmark NPS Scores including HughesNet Gen 4

2015 Satmetrix Internet Service Consumer Benchmark Results (including HughesNet Gen 4)

2015 NPS Rank	Company	Internet Service Category
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]

These results show the 2015 Satmetrix Consumer Internet Service Provider NPS scores including the NPS score for HughesNet Gen 4 service plans